

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4133-01
BILL NO.: HB 1754
SUBJECT: Disabilities; Licenses - Driver's; Revenue Department
TYPE: Original
DATE: February 15, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Blindness Education, Screening and Treatment Program	\$62,645	\$0	\$0
Highway	(\$121,867)	\$1,305	\$1,345
Total Estimated Net Effect on <u>All</u> State Funds	(\$59,222)	\$1,305	\$1,345

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** assume this proposal would not fiscally impact their agency.

Department of Health (DOH) officials state that currently, there are 3.8 million licensed drivers in Missouri (per Department of Revenue). DOH assumes roughly one-third or 1,266,666 drivers would be licensed each year. Because this is a new program DOH anticipates that only 7% of license renewal would donate a dollar each year. However, the rate would probably increase as the program became better known or advertised (1,266,666 licensed drivers X 7% of people contributing = \$88,667 in annual donations). This is based on past experience with similar programs in Missouri (Organ Donor Program).

DOH also states that currently, there are 5.7 million motor vehicles licensed in Missouri (per Department of Revenue, 1998). DOH states the motor vehicles in this 5.7 million include not only vehicles licensed for personal use but also fleet vehicles, i.e. those licensed by private companies, taxi cab companies, trucks, and the like which most likely would not contribute to the fund. Because this is a new program DOH anticipates that approximately 1% of people registering motor vehicles for personal use would donate a dollar to the program (3.8 million motor vehicles licensed for personal use X 1% of people contributing = \$38,000 in annual donations).

DOH estimates \$126,667 would be received in annual donations. DOH assumes that it would contract with a nonprofit organization that deals with community blindness education for program development, education, screenings and eye examinations, and vision treatment services. DOH assumes a one percent administrative cost for DOR for collection. DOH assumes no spending in the first year in order to let the fund accumulate resources. DOH assumes the program would not begin until January 1, 2001.

Department of Revenue (DOR) officials state the proposal would create the Blindness Education, Screening, and Treatment Program Fund. Applicants for motor vehicle or trailer registrations or driver license transactions would be asked if they wish to donate a dollar to promote blindness awareness. The donations collected in the DOR license offices would be deposited in the Blindness Education, Screening, and Treatment Fund.

ASSUMPTION (continued)

ADMINISTRATIVE IMPACT

DIVISION OF MOTOR VEHICLE AND DRIVER LICENSING

Field Services Bureau

DOR assumes this proposal only applies to all driver license transactions and only vehicles registered pursuant to section 301.020, as this section only pertains to motor vehicles and trailer registration. This proposal would require each applicant for a motor vehicle or trailer registration or drivers license transaction to be inquired in order to determine if he or she wants to make a one dollar donation to the Blindness Education, Screening and Treatment Program Fund. The Field Services Bureau estimates this additional inquiry would increase motor vehicle and driver licensing processing time an average of 15 seconds per transaction. This increased processing time would require an additional 3 FTE in order to process driver license transactions and 10.5 additional FTE to process motor vehicle and trailer registrations.

Drivers License Bureau

The over-the-counter licensing system would require programming in order to account for the collection of the one dollar donation. Polaroid, Inc., (software vendor) estimates 440 hours of programming for this requirement.

440	Estimated Hours of Programming
x \$125	Hourly Contracted Programming Rate
\$55,000	Total Programming Cost

Motor Vehicle Bureau

The automated field office title and registration system would require programming in order to account for the collection of the one dollar donation. The Motor Vehicle Bureau estimates that 450 hours of programming will be required by RSI, Inc., (software vendor) in order to meet the for requirements for this proposal.

450	Estimated Hours of Programming
x \$150	Hourly Contracted Programming Rate
\$67,500	Total Programming Cost

ASSUMPTION (continued)

Information Technology Management Bureau

The internal information systems of the Department of Revenue would require program modifications in order to meet the requirements of this proposal. The Information Technology Management Bureau estimates .5 FTE are needed to provide the program modifications for six months.

Oversight assumes no additional FTE would be required to fulfill the requirements of this proposal.

This proposal would result in a increase in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
BLINDNESS EDUCATION, SCREENING AND TREATMENT PROGRAM FUND			
<u>Income - Department of Revenue</u>			
Donations	\$63,278	\$130,467	\$134,382
<u>Costs - Department of Revenue</u>			
Collection fee	(\$633)	(\$1,305)	(\$1,345)
<u>Costs - Department of Health</u>			
Contract for services	<u>\$0</u>	<u>(\$129,162)</u>	<u>(\$133,037)</u>
ESTIMATED NET EFFECT ON BLINDNESS EDUCATION, SCREENING AND TREATMENT PROGRAM FUND	<u>\$62,645</u>	<u>\$0</u>	<u>\$0</u>

HIGHWAY FUNDS

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
<u>Income - Department of Revenue</u>			
Collection fee	\$633	\$1,305	\$1,345
<u>Costs - Department of Revenue</u>			
Reprogramming costs	<u>(\$122,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>(\$121,867)</u>	<u>\$1,305</u>	<u>\$1,345</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2001 (6 Mo.)	 FY 2002	 FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would establish the Blindness Education, Screening and Treatment Program Fund in the state treasury. The fund would be financed from a voluntary \$1 contribution from applicants who renew their motor vehicle registration and from a voluntary \$1 contribution from driver's license applicants. Moneys in the fund can be used for the purpose of financing a Blindness Education, Screening and Treatment Program. Unexpended balances in the fund would not revert to the credit of general revenue or any other fund at the end of any fiscal year. Subject to the availability of funding, the Department of Health would be required to develop a Blindness Education, Screening and Treatment Program for the purposes of providing blindness prevention education, screening, and treatment for persons who do not have adequate coverage under their health benefit plan. The proposal would require the department to develop regulations governing eligibility requirements for the program and specifies the operation and features of the program. The effective date of the proposal would be January 1, 2001.

DESCRIPTION (continued)

L.R. NO. 4133-01
BILL NO. HB 1754
PAGE 6 OF 6
February 15, 2000

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Revenue
Department of Social Services

A handwritten signature in black ink, appearing to read "Jeanne Jarrett", with a stylized, cursive script.

Jeanne Jarrett, CPA
Director
February 15, 2000